

Closing VA Psychiatric Beds has Little Impact on State Mental Health System

A minor revolution in U.S. healthcare during the 90's has been the provision of progressively more service on an outpatient basis, while keeping inpatient stays to a minimum. The VA system has joined in this trend. From 1996-98 VA Connecticut closed over 80% of its inpatient psychiatric beds, reducing hospital care costs by \$14 million. At the same time expenditure on outpatient and community care increased by \$7 million, 79% over previous levels. Closing VA hospital beds has raised questions whether costs are actually saved and not simply shifted to other systems, such as state health services. To explore this question VISN I MIRECC researcher, Robert Rosenheck, MD tracked veterans' use of state mental health services before and after VA Connecticut closed so many of its beds. He found that only a small fraction (2.7%) of VA psychiatric patients used any Connecticut mental health services in 1995, before VA beds closed. In 1996, after the closings, this number increased to 3.5%, a small increase with statistical significance. Costs actually went down from \$315 to \$225 per veteran. In a report written with co-authors, Linda Frisman, PhD, and Susan Essock, PhD, Dr. Rosenheck suggests that adverse effects of hospital bed closings can be avoided if adequate outpatient treatment is made available. In the case of VA Connecticut, 50% of costs saved on inpatient treatment were reinvested on expanded outpatient capacity before beds were closed. Dr. Rosenheck characterizes these findings as 'modestly reassuring' but notes that the information available looked only at costs and not at possible changes in the quality of care at the same time period.